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Board of Directors
Philadelphia Suburban Corp.
762 W. Lancaster Avenue
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Gentlemen:

Please be advised of our serious concerns related to your Kankakee/Will County operations which are located in Illinois. As you may be aware, your Division Manager, Thomas Bunosky, has refused to provide information and documents, which has been requested on multiple occasions. These requests date back to June 25, 2003. (Please note that these refusals do not include our requests made to Sherre Gessner, which have been similarly ignored since 1998.)

It is our understanding that Consumers Illinois Water Company (C.I.W.C.) intends to proceed with plans to "upgrade" its systems in the Oak Run community, which is located in central Illinois. C.I.W.C. allegedly plans to pass the cost of these improvements along to the 2,600 property owners at Oak Run. These efforts will not go unchallenged, as we can assure you that we will not allow any "water supply cowboys" to run roughshod over the elders in our community.

Suddenly (after 20 years), C.I.W.C. allegedly intends to improve water quality to its 560 "users," many of whom have never ever been able to drink the water due to its high sodium (500 ml) and chloride (360 mg) levels. Many "users" found it necessary to install reverse osmosis systems to deal with these problems, as well as the high level of dissolved solids (1340 mg). Many property owners have also found it necessary to replace appliances and fixtures, due to the "aggressive" quality of the water that has been provided to the Oak Run community since 1972.

We have attended three meetings (since June 25, 2003) and at each of these meetings we were promised information and documents, yet Mr. Bunosky has failed to provide it. **This is a very poor reflection on Consumers Illinois Water Company, as well as Philadelphia Suburban Corporation.** Unfortunately, it now appears that legal action may become necessary in order to obtain this relevant information.

Of equal importance, Mr. Bunosky has claimed that C.I.W.C. can do as they please, where they please, when they please, without regard to the rights or wishes of any Oak Run property owners. Mr. Bunosky has not provided the legal authority (he claimed existed) to support his position that C.I.W.C. is not bound by the express provisions of the restrictive covenants (which are contained within the chain of title to all the properties to which C.I.W.C. currently holds title, including but not limited to, Lot 59 in the Forest Ridge Subdivision).

We believe that litigation should always be a last resort, and as such we would strongly suggest that your Legal Counsel immediately review the Declarations, for each of the eight separate Oak Run Subdivisions, as the Declarant's intent, with respect to "future well sites" is expressly and unambiguously manifested therein. (Please also pay special attention to the easement provisions contained in each of those recorded instruments.)

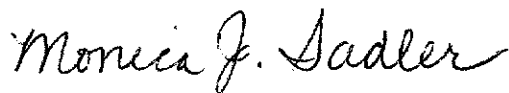
The business interests of your company (and/or its "profitability") does not appear to "exempt" Lot 59 of the Forest Ridge Subdivision, from any of the restrictive covenants. Again, we can found no legal authority from any jurisdictions to suggest this would be accurate.

Further, it appears that the current fees being charged to approximately 2,100 "availability" customers may, in fact, be the result of an illegal amendment to the restrictive covenants that governs many of those lots. It is unknown whether or not the Illinois Commerce Commission has ever been provided this pertinent information, when C.I.W.C. previously requested rate increases. This matter is currently under investigation, primarily due to Mr. Bunosky's failure to comply with our simple and straightforward requests to this date.

Therefore, we would urge P.S.C. to investigate these concerns, as there is a distinct possibility that the "water availability fees" (and/or increases which may have been inadvertently approved) do not have a valid basis. Whether a cause of action will be asserted with respect to any portion of the nearly \$3,000,000 in "fees," which may have already been improperly collected, is also currently under investigation.

If you would like to set up a meeting to discuss any possible alternatives to legal action, please advise at your earliest convenience, as we intend to proceed accordingly in the absence of any meaningful dialogue. If you would like to review the Opinions from the Third District Appellate Court of Illinois (which outline the basis of our positions with respect to enforcement, invalid amendments, etc.) I would be happy to provide them for your Counsel's review.

Respectfully,



Monica J. Sadler

cc: Office of the Illinois Attorney General
Barney Olson II, Esq.
Shu Bartholomew

